served and unserved areas.

- 14. Chicago characteristics are based on the Chicago Primary Metropolitan Statistical Area (PMSA), since the CMSA crosses state lines and no area outside of Illinois but inside the CMSA was served. The median of the medians for income for areas served is compared to the median for the entire Chicago PMSA.
- 15. Income for Denver, Portland' and Minneapolis' is the median of the medians for served and unserved areas identified by the company in its opposition.'
- 16. For Washington Metro, 10 Orange County 11 and South Bay 12 I compared the served

In the Matter of the Ameritech Operating Companies For Authority pursuant to Section 214 of the Communications Act of 1934, as amended, to construct, operate, own and maintain, a video dialtone system within geographically defined areas in Illinois, WPC 6929.

In this case a consultant (Demo Graphics) provided median based on a computerized mapping program.

In the Matter of the Application of U S West Communications Inc., for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate Own and Maintain Facilities and Equipment to Provide Video Dialtone Service in Portions of the Portland Oregon, Service Area, WPC-6921.

In the Matter of the Application of U S West Communications Inc., for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate Own and Maintain Facilities and Equipment to Provide Video Dialtone Service in Portions of the Minneapolis-St. Paul, Minnesota, Service Area, WPC-6922.

In the Matter of the Application of U S West Communications Inc., for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate Own and Maintain Facilities and Equipment to Provide Video Dialtone Service in Portions of the Portland, Oregon, Denver Colorado, and Minneapolis-St. Paul, Minnesota, Service Area, WPC-6919, 6921, 6922; US West Opposition (filed March 17, 1994).

In the Matter of the Application of Chesapeake and Potomac Telephone Companies of Maryland and Virginia, for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate, Own and Maintain Facilities and Equipment to Provide a Commercial Video Dialtone Service Within a Geographic Territory Defined by the Maryland and Virginia Portions of the Washington Local Access Transport Area, WPC-6912.

In the Matter of the Application of Pacific Bell for Authority pursuant to Section 214 of the Communications Act of 1934 and section 63.01 of the Commission's Rules and Regulations, to Construct and Maintain Advanced Telecommunications Facilities to Provide

- counties with the unserved counties within the CMSA. This approach is the equivalent of the census tract approach, since in these cases the company appears to be serving an entire county, but not surrounding counties.
- 17. For Toms River, 13 a consultant to the telephone company 14 provided zip code identifications. However, there appeared to be errors in the data presented. Therefore, original zip code data from the original source was obtained. The comparison is between Toms River and the rest of the state of New Jersey, which is the comparison made by the telephone company consultant.

### IV. RESULTS

18. OVERVIEW: Regardless of the type of data utilized I found a clear and systematic pattern of not serving some lower income areas, which turn out to be much more heavily minority areas. Exhibit 1 summarizes the income data across all of the cities studied. In virtually all cases, the areas served have a higher income than the areas not served. Exhibit 2 summarizes the race/ethnic data across all of the cities served. In virtually all cases, the areas served have a lower percentage of non-minority residents than the areas not served.<sup>15</sup>

Video Dialtone Service to Selected Communities in Orange County, California, WPC-6913.

In the Matter of the Application of Pacific Bell for Authority pursuant to Section 214 of the Communications Act of 1934 and section 63.01 of the Commission's Rules and Regulations, to Construct and Maintain Advanced Telecommunications Facilities to Provide Video Dialtone Service to Selected Communities in Southern San Francisco Bay Area, California, WPC-6914.

In the Matter of the Application of New Jersey Bell Telephone Company, for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct. Operate. Own and Maintain Advanced Fiber Optic Facilities and Equipment to Provide Video Dialtone Service Within a Geographically Defined Area in Dover Township, Ocean county, New Jersey, WPC-6840.

Futurevision of America Corporation, press briefing materials.

The only two instances in which these results to do not hold are for the income calculation in the suburbs of Indianapolis and the minority comparison for the suburbs of Denver. These results are likely to due the fact that these comparisons are based on a very small minority population in Indianapolis and a small number of suburban areas served relative to the total suburbs in Denver.

- 19. One can observe the video dialtone applicants' pattern of underserving low income and/or minority areas which pick a whole county out of a region such as Bell Atlantic's Washington area dialtone or PacTel's Orange county and South Bay proposal. For example, in Bell Atlantic's proposal for the Washington D.C. area, one can observe the pattern of underserving low income or minority areas in Bell Atlantic's failure to serve the entire District of Columbia and Prince George's County, both of which contain large minority populations. Bell Atlantic chose instead to serve Montgomery County Maryland and Northern Virginia, areas that have higher incomes and lower percentages of minorities than in the unserved areas. Moreover, even when I analyze separately areas in Virginia and Maryland that fall within the Washington D.C. metropolitan area I observe the same pattern. Areas that are served have higher income and lower percentages of minorities in the served areas.
- 20. This pattern of underserving lower income and minority areas is also observable in video dialtone proposals that select wire centers within a county or city such as the U.S. West and Ameritech proposals. In these cases, I have relied on exchange level or census tract data and find that the lowest income areas are not served and the areas served have higher income and lower percentages of minorities than the areas which are not served.
- 21. DETAILED COMPARISONS: Furthermore, in trying to defend itself against the issues raised in the Petition to Deny filed by the Center for Media Education and Consumer Federation of America, U S West<sup>16</sup> provides income data an exchange-by-exchange basis. When combined with the exchange maps provided in the initial filing, this income data shows that the poorest two or three wire centers in the center city are never served (see Exhibits 3-5). These wire centers are always right at the core of the area that is being served. Generally, these are areas cut out of central cities. The rest of the maps are made up of suburbs with one or two high income suburbs being served. These maps corroborate in a graphic way the strong impression that CME/CFA originally had that the companies had skipped over certain low income/minority neighborhoods in center cities.
- 22. I also was able to identify a similar pattern in Indianapolis and San Diego based on the maps made available. Many lower income, minority areas are not served even though they are contiguous to areas that are served. In these two cases the

In the Matter of the Application of U S West Communications Inc., for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate Own and Maintain Facilities and Equipment to Provide Video Dialtone Service in Portions of the Portland, Oregon, Denver Colorado, and Minneapolis-St. Paul, Minnesota, Service Area, WPC-6919, 6921, 6922; Petition to Deny of Center for Media Education and Consumer Federation of America and Opposition of U S West.

summary statistics, particularly for minorities, show large differences between served and unserved areas.

- 23. A similar pattern is observable in the Ameritech proposal in the Chicago area, as Exhibit 6 shows. One small, low income predominantly minority neighborhood is served, but the vast majority of such areas are not.
- 24. This geographic patterns in the maps have an important implication. Denver, Exhibit 3, provides a clear picture. Right at the center of the map are three exchanges with very low incomes which are not served. These are the lowest income exchanges anywhere in the area covered by this map. Contiguous to these exchanges are exchanges with incomes between 25 percent and 90 percent higher which are served. The fact that these lower income/minority areas which have not been served are contiguous to and in some cases virtually surrounded by areas that have been served makes it highly unlikely that there are technological or geographic issues involved. These unserved exchanges are almost certain to have deployed for telecommunications purposes similar technology to that deployed for the areas which are served.

Mark N. Cooper

Subscribed and sworn to before me this 19th day of May, 1994.

Notar∮ Public⁄

My Commission Expires

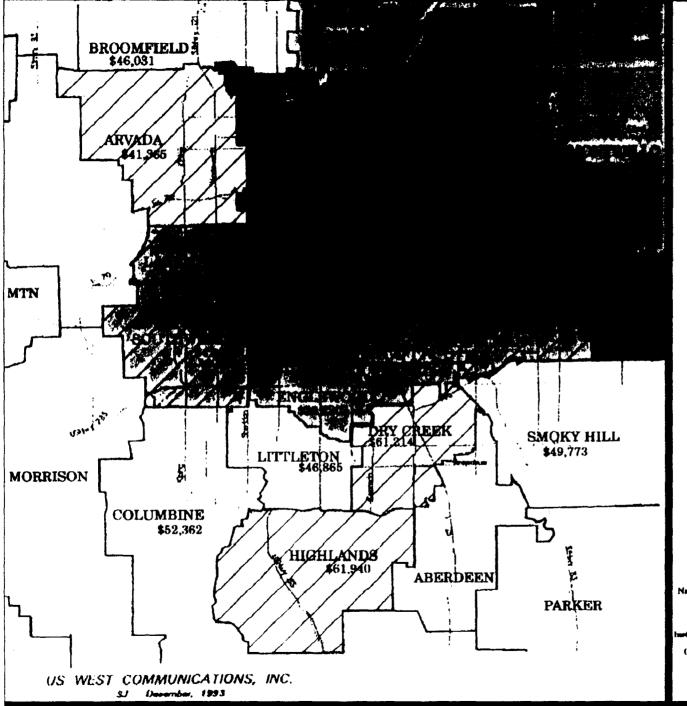
### **EXHIBITS**

EXHIBIT 1: SUMMARY INDICATORS OF ELECTRONIC REDLINING, INCOME IN SERVED AND UNSERVED AREAS

CHARACTERISTIC	COMPANY/AREA	VIDEO DIALTONE SERVED	STATUS UNSERVED		
AVERGE	AMERITECH		•		
HOUSEHOLD INCOME	CHICAGO	51,100	35,265		
	BELL ATLANTIC				
	WASHINGTON METRO	66,879	48,615		
	MARYLAND METRO	68,007	48,435		
	VIRGINIA METRO	66,020	53,805		
	TOMS RIVER (NJ)	34,200	37,430		
	PACTEL				
	ORANGE COUNTY	57,302	46,237		
	SOUTH BAY	57,913	50,161		
	SAN DIEGO	51,322	42,080		
	CENTER CITY	43,627	36,589		
	SUBURBS US WEST	64,489	44,427		
	PORTLAND METRO	29,949	27,665		
	DENVER METRO	39,209	38,212		
	CENTER CITY	32,178	29,518		
	SUBURBS	38,724	41,686		

EXHIBIT 2: SUMMARY INDICATORS OF ELECTRONIC REDLINING, PERCENTAGE MINORITY IN SERVED AND UNSERVED AREAS

CHARACTERISTIC		COMPANY/AREA	VIDEO DIALTONE SERVED	=
PERCENTAGE MINORITY				
(BLACK AND HISPANIC)	AMER	INDIANAPOLIS METRO	11.1 16.7 1.6	18.4 35.7 .4
		CHICAGO	8.6	22.1
	BELL	ATLANTIC WASHINGTON METRO MARYLAND METRO VIRGINIA METRO	17.4 19.6 15.8	44.0 44.4 17.1
		TOMS RIVER (NJ)	2.0	12.4
	PACTI		. = .	
		ORANGE COUNTY	15.9	24.8
		SOUTH BAY	14.6	19.4
		SAN DIEGO CENTER CITY SUBURBS	10.8 11.2 6.2	19.1 24.5 17.9
	US WI	EST		
		DENVER	11.8	13.5
		CENTER CITY SUBURBS	15.5 6.4	33.4 9.3



### PROPOSED AREA OF DEPLOYMENT FOR VIDEO-DIALTONE SERVICE

The map and income data were provided by US WEST as part of their application to the FCC.



Proposed Area tor Deployment by Wire Center

Median income of households within each wire center

Under \$22,000

From \$22,001 to \$33,000

From \$33,001 to \$44,000

Over \$44,001

This visual is part of an initiative against tion of consumer and civil rights groups the Center for Media Education (CME), Consumer Federation of America (CFA) National Association for the Advancement of Colored People (NAACP),
National Council of La Raza (NCLR), and the
United Church of Christ, Office of Communication (UCC). This map is part of a polition to the PCC.
This map is part of a polition to the PCC.
Counsel was provided by the
hastitute for Public Representation, Georgetown University Law Center,
and the Media Accord Project.
CME's "Puture of Media" Project provided support for the research

DENVER SERVING AREA

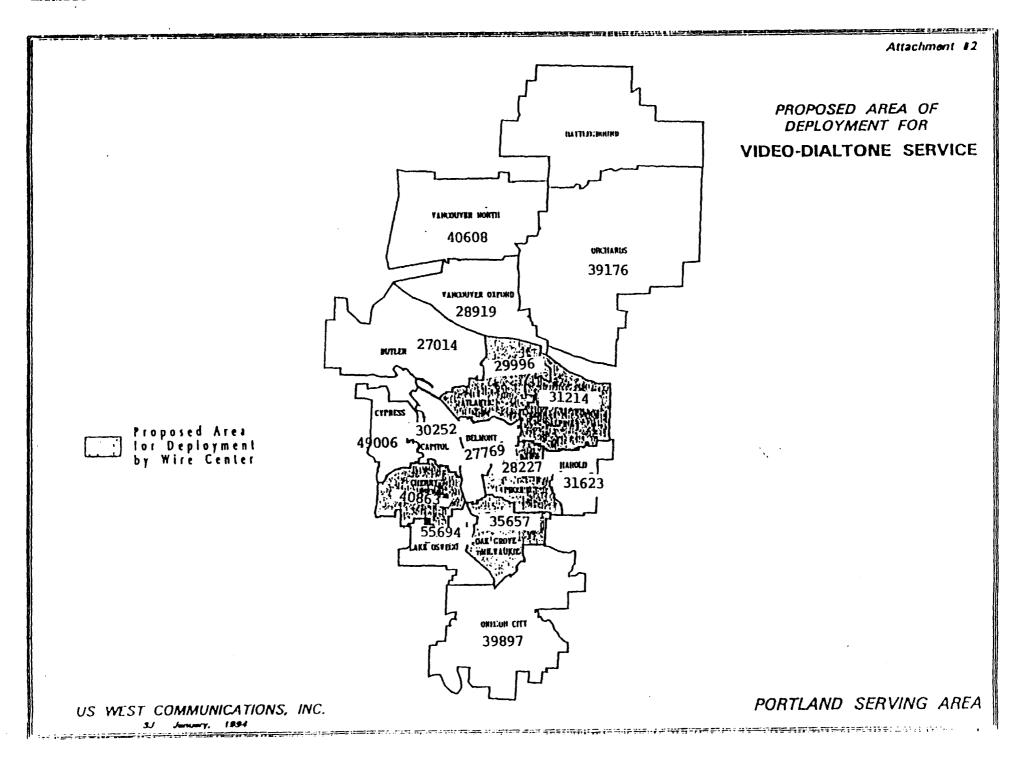
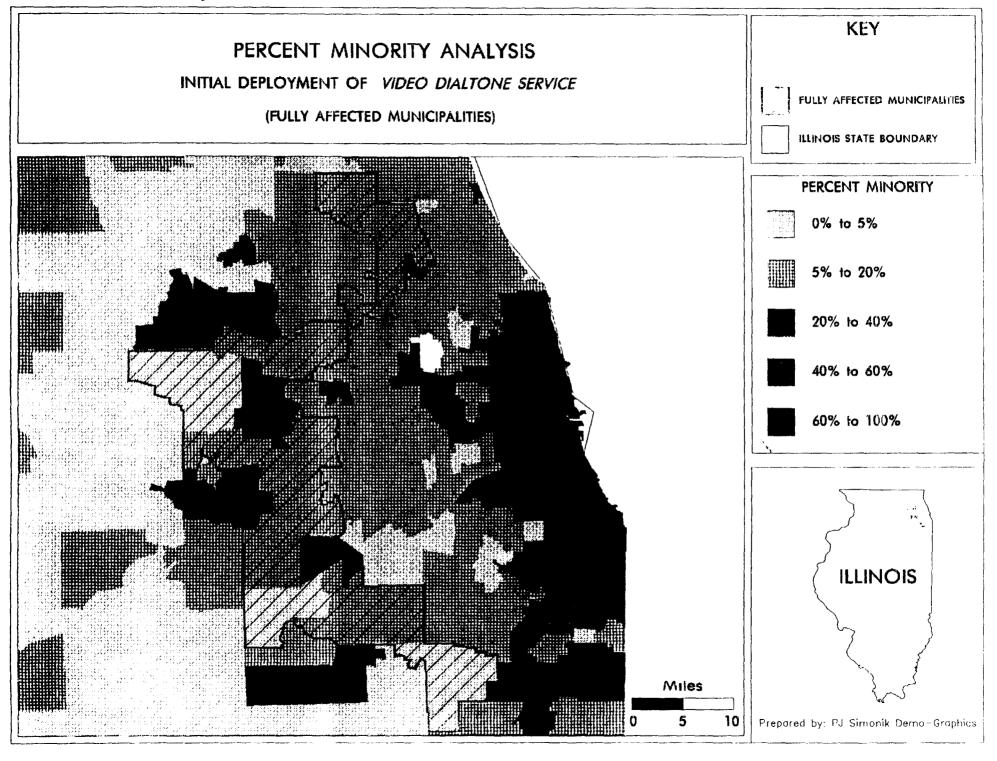


EXHIBIT o, page I **KEY** MEDIAN HOUSEHOLD INCOME ANALYSIS INITIAL DEPLOYMENT OF VIDEO DIALTONE SERVICE FULLY AFFECTED MUNICIPALITIES (FULLY AFFECTED MUNICIPALITIES) ILLINOIS STATE BOUNDARY HOUSEHOLD INCOME RANGES \$0 to \$15,000 \$15,001 to \$30,000 \$30,001 to \$45,000 \$45,001 to \$60,000 \$60,001 to \$142,000 ILLINOIS



Miles

5



#### DECLARATION OF ANTHONY L. PHARR

### I. BACKGROUND

- 1. My name is Anthony L. Pharr, and I reside at 619 Longfellow Street N.W., Washington, D.C. I am legal counsel for the Communications Advocacy Program of the Office of Communication of the United Church of Christ.
- 2. I am a member of the bar of the District of Columbia. I graduated from Boston University School of Law in 1976. I have a B.A. degree in political science from Tufts University.

### II. FINDINGS RELEVANT TO THE PETITION FOR RELIEF

- 3. I have closely examined the demographics of the video dialtone service area proposed by Ameritech for the state of Illinois. An analysis of 1990 census information for the 28 municipalities proposed to receive full video dialtone service shows that the median household income of 26 of those municipalities exceeds the household median income of the state of Illinois. Furthermore, minorities account for less than the state-wide average in 22 of the municipalities. The extent of the bias towards upper-income and non-minority communities is illustrated in graphs I and II.
- 4. Graph I shows that the median household income of 3 municipalities that will receive video dialtone is in the \$60 to \$65 thousand range, 13 in the \$45 to \$60 thousand range, and 10 in the \$32.3 to \$45 thousand range 26 municipalities, in total, whose median household income exceed the state median income of \$32,252.
- 5. Graph II shows that minorities account for 0 to 5 percent of the population in 8 municipalities that will receive video dialtone service. In 14 municipalities, minorities account for 5 to 20 percent of the population. Minorities represent 25.5 percent of the population in Illinois overall.
- 6. The accompanying maps show the location of the proposed service area (striped area) vis a vis the minority population and median household income of the general area. In many instances the proposed video dialtone service area exactly borders communities that are predominantly low-income and/or minority.

#### III. CONCLUSIONS

7. Based upon the census tract analysis, I have concluded that the service area proposed by Ameritech tends to exclude communities with median to high concentrations of minorities and low-income residents. The only exception to this pattern is the Harvey community located on the south side of Chicago.

8. The extent of the bias towards non-minority and economically affluent neighborhoods is underscored by the location of the service area which has been drawn to exclude many low-income and minority populations located on its fringes. The inclusion of the predominantly Black Harvey neighborhood is overshadowed by the remaining 95 percent of the service area which generally follows a pattern of low-income and minority exclusion.

#### IV. METHODOLOGY

- 9. A list of the fully served municipalities was obtained from the Ameritech proposal to provide video dialtone service.

  Partially served municipalities contained in the application were excluded from the analysis, because it was impossible to determine what portions of those communities would receive service.
- 10. Computer software containing 1990 census data was used to determine the median household income and minority percentage for each of the fully served municipalities (see chart I). This data provided the information to develop graphs I and II.
- 11. Atlas Geographic Information Systems mapping software was programmed to generate the maps of the Chicago area. The demographic database of the software contained 1990 census information for the zip codes of each of the municipalities examined.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 194.

Anthony L. Pharr

CHART I

# MEDIAN HOUSEHOLD INCOME AND PERCENT MINORITY AND NONHISPANIC WHITE OF SELECTED PLACES IN ILLINOIS AND MICHIGAN: 1990

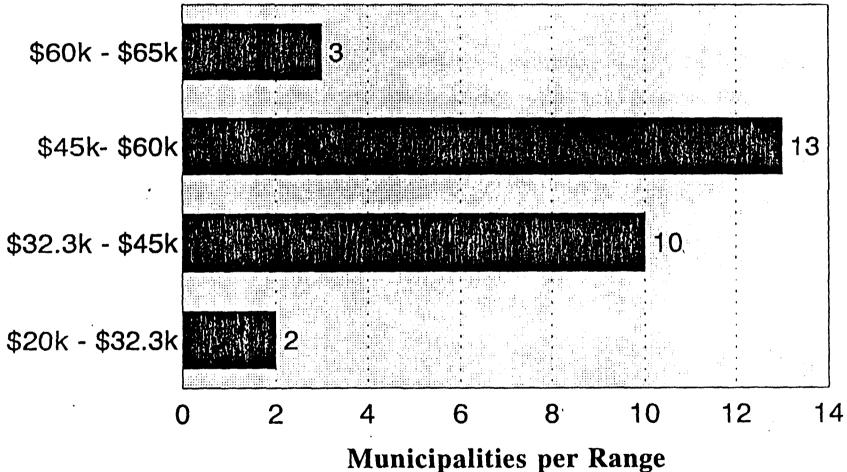
AREANAME	MEDIAN HOUSEHOLD INCOME	MINCRITY	NONHISPANIC WHITE
ILL INOIS			
ELGIA	\$35,552.00	29.61	70.39
BARTLETT	\$51,678.00	8,42	91.58
PALATINE	\$48,665.00	7.84	92.16
ROSELLE	\$50,686.00	9.15	90.94
SCHAUNBURG	\$47,026.00	11.31	88.69
HARVEY	\$23,191.00	86.38	13.62
BOLINGBROOK	\$46,161.00	26.48	73.52
LEHONT	\$43,150.00	3,36	96.64
PLAINPIELO	\$43,709.00	1.95	98.05
ROMECVILL3	\$42,101.00	14.10	85.90
LOCKFORT	\$35,458.00	3.81	96.19
Hokena	\$42,182.00	2.11	97.39
ORLAND PARK	\$51,885.00	6.16	93.84
NEW LENOX	\$43,665.00	2.25	97.75
Frankfort	\$60,625.00	3.18	96.82
JOLIET	\$30,565.00	35.01	64.99
AURORA	\$35,037.00	35.89	64.11
NAPERVILLE	\$61,280.00	8.81	91.19
HARRINVILLE	349,078.00	8.37	91.63
WEST CHICAGO	\$37,400.00	33.50	66.50
Ceneva	549,743.00	2.76	97.24
WHEATON	\$52,348.00	8.45	91.55
CLEN ELLYN	\$52,C37.00	7.82	92.18
arlington heights	\$51,446.00	7.07	92.93
MHBELING	\$39,846.00	14.71	85.29
BLK CROVE	\$48,661.00	11.18	88.82
Lake Zurich	\$58,536.00	7.07	92.93
Barrington	\$64,732.00	3.16	96.84
MICHIGAN			
WARREN	\$35,979.00	3,58	96.42
BIRMINGHAH	\$57,691.00	2.67	97.33

SOURCE: ELCA DEPT FOR RESEARCH AND BVALUATION FROM 1990 U.S. CENSUS

# ILLINOIS VIDEO DIALIUNE MUNICIPALITIES GROUPED BY HOUSEHOLD INCOME RANGE

(Fully Served Municipalities)

## **Income Ranges**

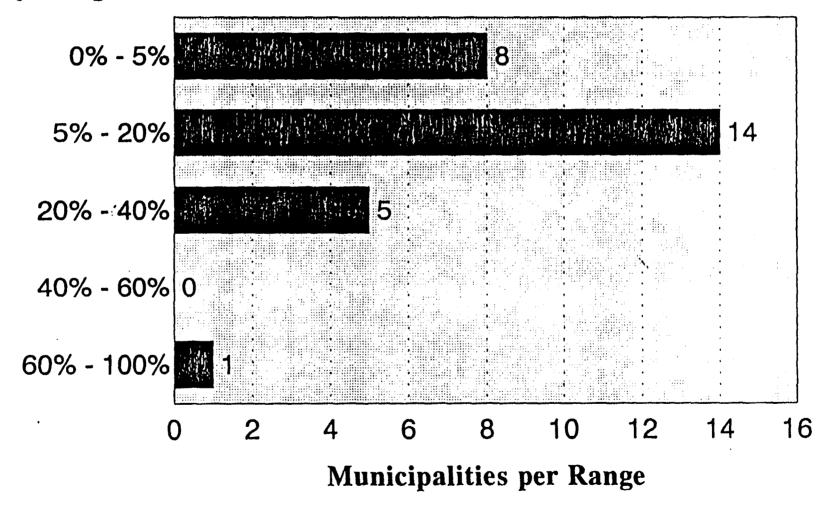


Data: Ameritech Video Dailtone application; 1990 Census

# ILLINOIS VIDEO DIALTONE MUNICIPALITIES GROUPED BY PERCENTAGE MINORITY RANGE

(Fully Served Municipalities)

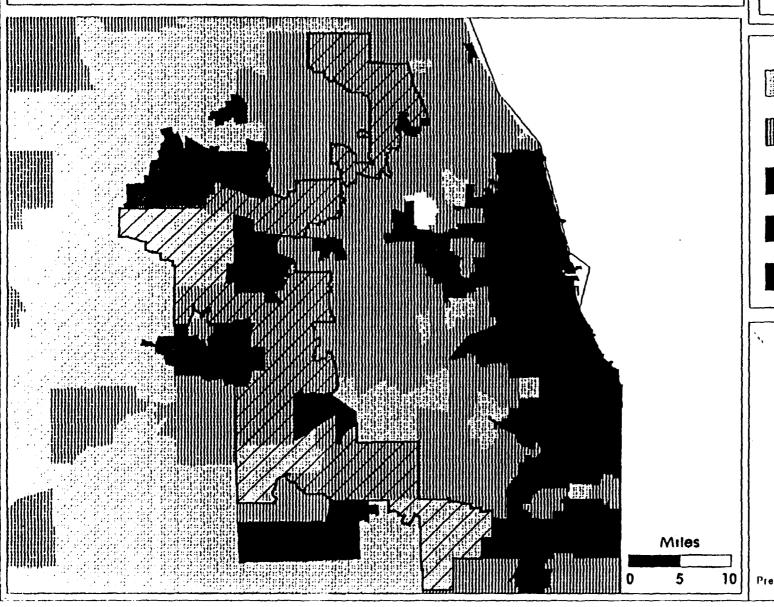
# % Minority Ranges



Data: Ameritech Video Dailtone application; 1990 Census

# PERCENT MINORITY ANALYSIS INITIAL DEPLOYMENT OF VIDEO DIALTONE SERVICE

(FULLY AFFECTED MUNICIPALITIES)



FULLY AFFECTED MUNICIPALITIES

ILLINOIS STATE BOUNDARY

PERCENT MINORITY

0% to 5%

5% to 20%

20% to 40%

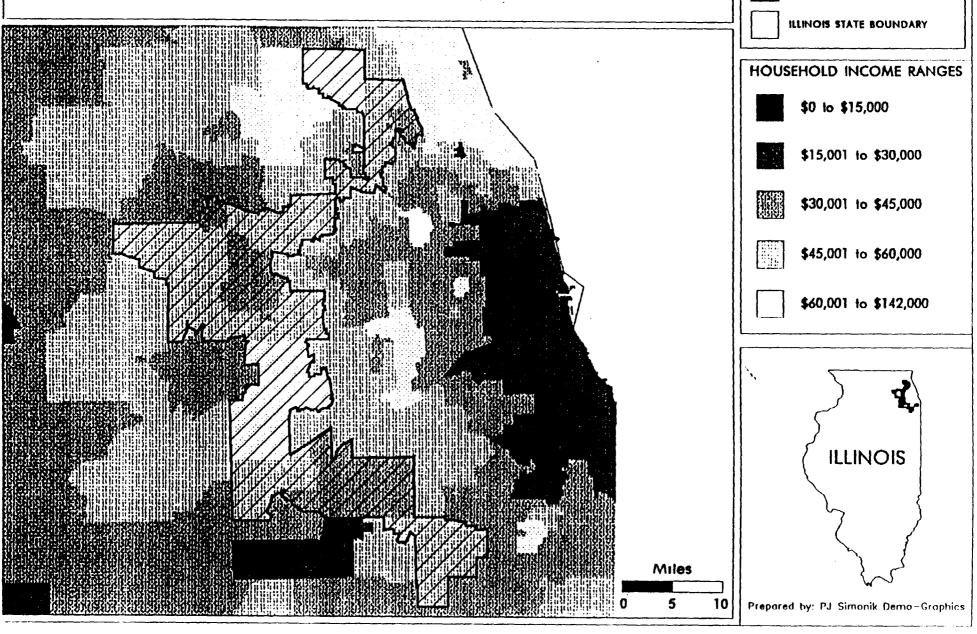
40% to 60%

60% to 100%



### MEDIAN HOUSEHOLD INCOME ANALYSIS

INITIAL DEPLOYMENT OF VIDEO DIALTONE SERVICE
(FULLY AFFECTED MUNICIPALITIES)



FULLY AFFECTED MUNICIPALITIES













### FOR IMMEDIATE RELEASE

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# "INFORMATION SUPERHIGHWAY" COULD BYPASS LOW INCOME AND MINORITY COMMUNITIES

Consumer and Civil Rights Groups Urge FCC To Prevent "Electronic Redlining" by Baby Bells

WASHINGTON, DC — A coalition of consumer and civil rights groups today called upon the Federal Communications Commission (FCC) to outlaw "electronic redlining" as local telephone companies start to construct the "information superhighway." In two petitions filed today, the coalition submitted to the Commission research documenting that these companies are designing their advanced communications systems to bypass many low income and minority communities. The research was based on an examination of applications from each of the Regional Bell Operating Companies which have filed video dialtone proposals with the FCC.

"Our analysis reveals a clear pattern," concluded Jeffrey Chester, Executive Director of the Center for Media Education. "Low income and minority neighborhoods are being systematically underrepresented in these plans."

In their petitions, the groups urged the FCC to clarify the rules that prevent such practices and to issue a policy statement reaffirming the Commission's commitment to the goals of universal service and nondiscriminatory deployment. "At each phase of video dialtone deployment," the coalition argued, "providers should be required to make that service available to a proportionate number of lower income and minority customers." The groups also called on the FCC to revise its policies to ensure greater public participation in the development of these new communications networks. For example, they urged the Commission to require telephone companies to hold public hearings with local officials and consumers in order to get permission to provide video dialtone services.

"Right now," explained Bradley Stillman, Legislative Counsel of the Consumer Federation of America, "the phone companies get to decide when, where and how these networks will be built and paid for without any input from the communities that will be served by them. That is not the way we deployed either telephone service or cable TV, which are merged in the video dialtone proposals." Added CME's Jeffrey Chester, "These video dialtone networks could become the primary communications system for millions of Americans. They must be made available in an equitable and nondiscriminatory manner."

"The building of the information superhighway is the civil rights issue of the 21st century," stated Anthony Pharr of the Office of Communication, United Church of Christ. "As in the banking and insurance fields, this sort of discrimination is patently wrong. It hurts the communities that need help the most."

"Redlining within the telecommunications industry is a front-line challenge to the civil rights community and must be addressed in the national telecommunications legislation now before Congress," added Wade Henderson, Director of the Washington Bureau of the NAACP.

The research compared census tract data to maps and other documents submitted to the FCC by the local telephone companies. At least two cities for each of four Baby Bells were analyzed: the Ameritech applications in Indianapolis, IN and Chicago, IL; Bell Atlantic applications in Toms River, NJ and the Washington, DC metropolitan area; Pacific Telesis applications for the California areas of Orange County, San Diego, and the South Bay of San Francisco; and U.S. West applications for Portland, OR, Denver, CO, and Minneapolis, MN. These networks would initially reach approximately 4 million homes. Applications for the construction of these and other video dialtone platforms are currently under review at the FCC.

The analysis revealed two patterns. In some cases entire counties were bypassed, while more affluent neighboring counties were selected for service. For example, Bell Atlantic chose the wealthier suburbs of northern Virginia and Montgomery County, Maryland rather than the District of Columbia and Prince George's County, Maryland, both of which contain large minority populations. In other cases, the unserved areas comprise a section carved out of the middle of a city. For example, as one of the petitions explained, "The map of U.S. West's scheduled deployment in Denver depicts a large slice running through the center of the city where video dialtone facilities will not be initially constructed. Lower income and/or minority persons are heavily concentrated in the excluded area."

A separate computer analysis of Ameritech's proposal for the Chicago area, undertaken by the Office of Communication, United Church of Christ, led to similar conclusions.

The Center for Media Education's "Future of Media" Project supported the demographic research of Dr. Mark Cooper, Research Director of the Consumer Federation of America.

Groups supporting the petition include the Center for Media Education (CME), Consumer Federation of America (CFA), National Association for the Advancement of Colored People (NAACP), National Council of La Raza (NCLR), and the Office of Communication, United Church of Christ (UCC). The Institute for Public Representation, Georgetown University Law Center (IPR), and the Media Access Project (MAP) provided the legal counsel in preparing the petitions to the FCC.

The issue of electronic redlining is expected to be discussed by the Senate Commerce Committee in hearings scheduled for tomorrow, May 24.

Reporters may obtain copies of the coalition's petitions to the FCC by contacting the Center for Media Education (Tel: 202-628-2620).

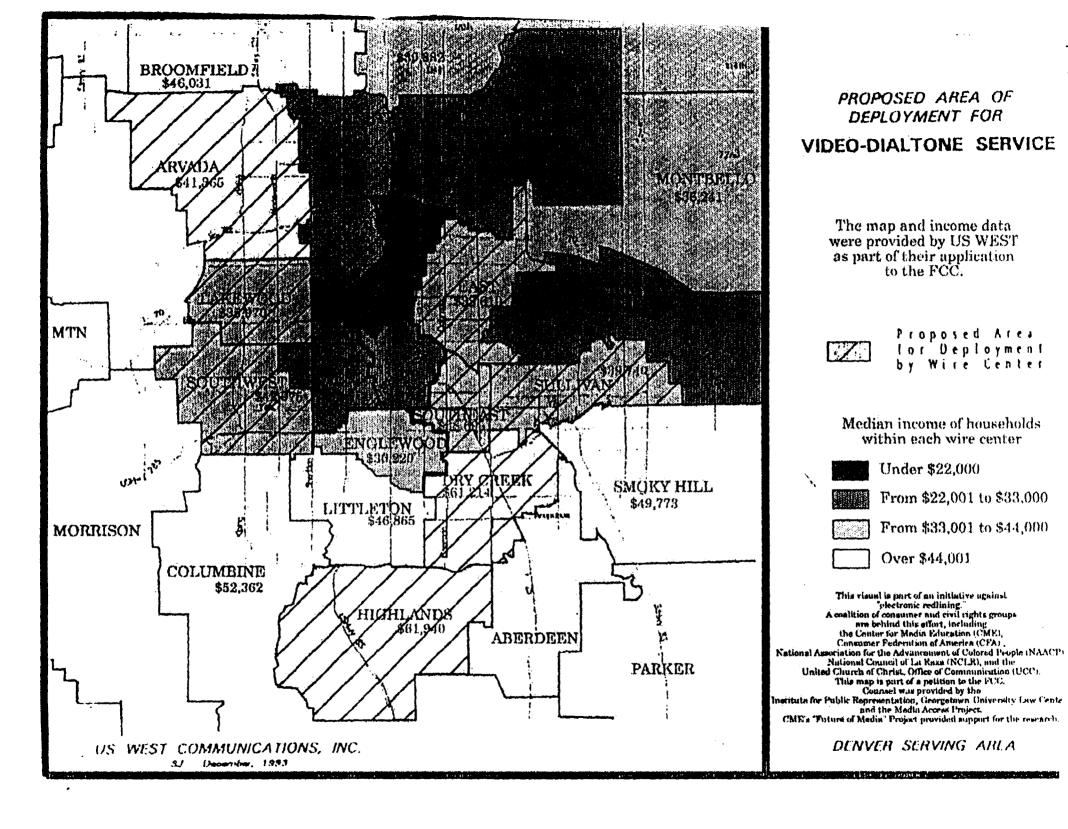


EXHIBIT 2: SUMMARY INDICATORS OF ELECTRONIC REDLINING, PERCENTAGE MINORITY IN SERVED AND UNSERVED AREAS

CHARACTERISTIC	COMPANY/AREA	VIDEO DIALTONI SERVED	E STATUS UNSERVED
PERCENTAGE MIN	ORITY		
(BLACK AND	AMERITECH		
HISPANIC)	INDIANAPOLIS METRO	11.1	18.4
·	CENTER CITY	16.7	35.7
	SUBURBS	1.6	.4
	CHICAGO	8.6	22.1
	BELL ATLANTIC		
	<b>WASHINGTON METRO</b>	17.4	44.0
	MARYLAND METRO	19.6	44.4
	VIRGINIA METRO	15.8	17.1
	TOMS RIVER (NJ)	2.0	12.4
	PACTEL		
	ORANGE COUNTY	15.9	24.8
	SOUTH BAY	14.6	19.4
	SAN DIEGO	10.8	19.1
	CENTER CITY	11.2	24.5
	SUBURBS	6.2	17.9
	US WEST		
	DENVER	11.8	13.5
	CENTER CITY	15.5	33.4
	SUBURBS	6.4	9.3